

**HEALTH SERVICES AND DEVELOPMENT AGENCY  
MINUTES  
NOVEMBER 19, 2008**

**AGENCY MEMBERS PRESENT**

Koella, Carl, III, Chair  
Atchley, Bryan  
Caldwell, Gene, M.D.  
Jones, Clark  
Lammert, Gregory  
Morris, John, designee for the Commissioner of Commerce and Insurance  
Troy, Peggy  
Weaver, Faye, designee for the Comptroller of the Treasury

**AGENCY MEMBERS ABSENT**

Handorf, Charles, M.D., Vice Chair  
Gaither, Keith, designee for the TennCare Director

**AGENCY STAFF PRESENT**

Hill, Melanie, Executive Director  
Bobbitt, Melissa, Administrative Services Assistant III  
Brogden, Reid, General Counsel  
Christoffersen, Jim, Deputy General Counsel  
Craighead, Alecia, Statistical Analyst III  
Earhart, Phillip, Health Planner III  
Farber, Mark, Assistant Executive Director  
Finchum, Rhonda, Office Manager  
Wells, Phil, Health Planner III

**GUESTS PRESENT**

Anderson, Patricia, NP WCC, Maristone Senior Living  
Baker, E. Graham, Esq.  
Beam, Jason, Regional Director, Middle Tennessee Ambulatory Surgery Center  
Beaudoin, Jay, Administrator, NHC HealthCare, Hendersonville  
Black, Hon. Diane, State Senator  
Blankenship, Jeff, Controller, Jackson-Madison County General Hospital  
Bobo, Michelle, Regional Administrator, NHC HomeCare  
Brent, Michael D., Esq., Boulton, Cummings, Conners & Berry  
Brown, Andy, Middle Tennessee Ambulatory Surgery Center  
Brown, Dere, National HealthCare Corporation  
Brown, James, Director, Jackson-Madison County General Hospital  
Calendine, Chad, M.D., President, Premier Radiology  
Chessor, Jere, Administrator, Middle Tennessee Ambulatory Surgery Center  
Converse, George M., IV, M.D.  
Corritore, Danell, Department of Health  
Culp, Joe, Department of Health  
Curley, Terri, Director of Nursing, Friendship Home Health & Private Duty  
Day, Edwin W., Consultant  
Duncan, Bruce, National HealthCare Corporation  
Elrod, Dan H., Esq., Miller & Martin

Ferraro, S., Bass, Berry & Sims  
Fordham, Marty, Vice President, Jackson-Madison County General Hospital  
Gant, Susan  
Goco, Paul E., M.D.  
Gooch, Warren, Esq., Kramer Rayson, LLP  
Harkness, Eric, Planning & Research Coordinator, Division of Health Planning, Dept. of F&A  
Hill, Gaius, Partner, Maristone Senior Living  
Holshouser, Sandra, Vice President, Middle Tennessee Ambulatory Surgery Center  
Houchin, Barbara, Executive Director, St. Thomas Health Services  
Huggins, Mike, Tennessee Hospital Association  
Kaelin, Charles Robert, M.D.  
Knuutila, Barbara, Consultant  
Kohler, Suzanne  
Lake, Vicki, Director, Market Research, Jackson-Madison County General Hospital  
Looney, Kim Harvey, Esq., Waller, Lansden, Dortch & Davis  
McDearman, Scott, Esq., Grant, Konvalinka & Harrison, P.C.  
McLaughlin, Amy, Home Health Care of Middle Tennessee  
Merkel, Elizabeth  
Merville, LaDonna, Hospital Alliance of Tennessee  
Misischi, Mary, M.D.  
Morrical, Michael  
Murphy, Dena, Gentiva Home Health Services  
Norvell, Vickie, Vice President Hospice/Homecare Operations, SunCrest Home Health  
Ockerman, Jeff, Director, Health Planning, Tennessee Department of Finance & Administration  
Paffrath, Jeffrey A., M.D., Middle Tennessee Ear, Nose & Throat, P.C.  
Petty, Bob, Tennessee Sports Medicine  
Petty, Tracey L.  
Poff, Amy, Accountant, Bellenfant & Miles, P.C  
Revelette, Alan, Partner, Maristone Senior Living  
Revelette, Curtis, Partner, Maristone Senior Living  
Rice, Pat, Chief Manager, Touchstone Medical Imaging  
Richardson, Michael, Covenant Health Services  
Ross, James, Vice President, Jackson-Madison County General Hospital  
Sferrella, Sheila M., Vice President, Ambulatory/Imaging Services, St. Thomas Health Services  
Sharpe, Bryan, M.D.  
Shayne, Karen, CEO, Maristone Senior Living  
Simpson, Ryan S., Vice President of Operations, Middle Tennessee Medical Center  
Slaton, Jan, Clinical Consultant, Celleration  
Smart, Dan, Home Health Manager, Celleration, Inc.  
Southwick, William, President/CEO, Healthmark Partners, Inc.  
St. Claire, Jamie, Director of Quality Aging, Maristone Senior Living  
Stephenson, Kate, Esq., Trauger & Tuke  
Swartz, Ari, HC Resources  
Taylor, Jerry W., Esq., Farris, Mathews, Branan, Bobango, Hellen & Dunlap, PLC  
Thompson, Ann R., RN, BSN, MBA, Director of Licensure, Department of Health  
Weaver, Doug, Administrator, Sumner Homecare & Hospice  
Wellborn, John L., Consultant, Development Support Group  
West, William H., Esq., Baker, Donelson, Bearman, Caldwell & Berkowitz

**Chairman Koella, called the meeting to order at 8:30 a.m. in Meeting Room 29, of The Legislative Plaza, Nashville, Tennessee.**

### **DIRECTOR'S ANNOUNCEMENTS**

Melanie Hill, Executive Director, made general announcements and announced the resignation of Ms. Peggy Troy, the Agency's hospital representative.

## **OTHER BUSINESS**

- 1) State Health Plan – Jeff Ockerman, Division of Health Planning, Finance & Administration discussed the status of the state health plan.

## **CERTIFICATE OF NEED APPLICATIONS**

*Mark Farber summarized the following CON applications:*

### **NOL, LLC d/b/a Premier Radiology - (Mt. Juliet, Wilson County) - Project No. CN0807-051**

The initiation of magnetic resonance imaging (MRI) services. The applicant will enter into a lease agreement with Tennessee Sports Medicine that will allow Premier Radiology to share an existing MRI unit to provide MRI services. No other services will be initiated or discontinued and no major medical equipment is requested. Project Cost \$1,907,595.00.

Dan H. Elrod, Esq., representing the applicant, addressed the Agency. Speaking in support were: Tracey Petty, Bob Petty, Chad Calendine, M.D. and Charles Robert Kaelin, M.D. Present in support was Edwin W. Day, Consultant.

Speaking in opposition of the project were: Jerry W. Taylor, Esq., representing Summit Medical Center and Touchstone Medical Imaging; and Pat Rice, Chief Manager, Touchstone Medical Imaging.

Mr. Elrod rebutted.

Ms. Troy moved for approval of the project based on: 1) Need – The community is growing so there is a demonstrated need; 2) Economic Feasibility – The project is economically feasible with \$1.9 million for Premier Radiology group to buy into this service; and 3) The project does contribute to the orderly development of adequate and effective health care for the growing population with an increase in capacity for the services and will employ people to stay in their area for the services. Mr. Morris seconded the motion. The motion CARRIED [6-2-0]. **APPROVED**

AYE: Morris, Troy, Lammert, Atchley, Weaver, Koella  
NAY: Caldwell, Jones

Ms. Troy moved to accept language to be added: **Condition:** Premier's fifty percent (50%) share of the MRI will not exceed six (6) hours per day, Monday thru Friday, and two (2) hours per day on Saturday, if Tennessee Sports Medicine also operates two (2) hours on Saturday. Mr. Morris seconded the motion. The motion CARRIED [6-2-0]. **APPROVED**

AYE: Morris, Troy, Lammert, Atchley, Weaver, Koella  
NAY: Caldwell, Jones

*Mr. Lammert recused.*

### **Maristone In Home - (Nashville, Davidson County) - Project No. CN0808-053**

The establishment of a home health agency to provide skilled nursing, physical, occupational therapy and speech therapy, home health aide, medical social worker, and private duty services in Davidson, Sumner, Williamson and Wilson Counties. The parent office will be located in Nashville (Davidson County), Tennessee. Project Cost \$57,000.00.

Barbara Knuutila, Independent Consultant, Maristone Senior Living, addressed the Agency and Jan Slaton, Clinical Consultant, Celleration, spoke on behalf of the project. Present in support were: Alan Revelette, Partner; Curtis Revelette, Partner; Dan Smart, Home Health Manager, Celleration, Inc.; Karen Shayne, CEO, Maristone Senior Living; Jamie St. Claire, Director of Quality Aging, Maristone Senior Living; Gaius Hill, Partner, Maristone Senior Living; and Amy Poff, Accountant, Bellenfant & Miles, P.C.

Speaking in opposition were: Michelle Bobo, Regional Administrator, NHC HomeCare; Dena Murphy, Gentiva Home Health Services; Vickie Norvell, Vice President Hospice/Homecare Operations, SunCrest Home Health; E. Graham Baker, Jr., Esq., representing Friendship Home Health and Select Medical Home Health; Doug

Weaver, Administrator, Sumner Homecare & Hospice; and Terri Curley, Director of Nursing, Friendship Home Health & Private Duty.

Ms. Knuutila and Patricia Anderson rebutted.

Kim Harvey Looney, Esq. summated for the opposition.

Ms. Knuutila summated for the applicant.

Mr. Morris moved for denial of the project based on: 1) Need – The lack of need has been shown. Ms. Troy seconded the motion. The motion CARRIED [7-0-0]. **DENIED**

AYE: Morris, Troy, Caldwell, Atchley, Weaver, Jones, Koella

NAY: None

**NHC Place at Hendersonville - (Hendersonville, Sumner County) - Project No. CN0808-057**

The addition of thirty (30)\* new Medicare certified nursing home beds to a previously approved and under development sixty-two (62) bed project (issued as CN0702-014A) for a total of ninety-two (92) nursing home beds located within the Willowbrooke planned unit development along Saundersville Road. The existing project site is on 15.9 acres and is located approximately 550 feet off Parkway and Saundersville Road within Willowbrooke on a yet to be determined street address. The project will be part of a larger continuum of care which will include in addition to the ninety-two (92) nursing bed center approximately eighty (80) assisted living units. Project Cost \$4,814,709.00. \* These beds will be subject to the 125 Nursing Home Bed Pool for 2008-2009.

Dan H. Elrod, Esq., representing the applicant, addressed the Agency. Speaking in support of the project were: Senator Diane Black; Jay Beaudoin, Administrator; and Bruce K. Duncan, Assistant Vice President, NHC.

Dr. Caldwell moved for approval of the project based on: 1) Need – There is a projected need for these beds in the region; 2) Economic Feasibility – The project is economically feasible with cash reserves available; and 3) The project does contribute to the orderly development of adequate and effective health care by providing a new updated facility under construction that adds thirty (30) beds which improves orderly development of health care by meeting the need. Ms. Weaver seconded the motion. The motion CARRIED [8-0-0]. **APPROVED**

AYE: Morris, Troy, Lammert, Caldwell, Atchley, Weaver, Jones, Koella

NAY: None

**Jackson-Madison County General Hospital - (Jackson, Madison County) - Project No. CN0808-055**

The relocation of existing outpatient surgery services from 637 Skyline Drive to 700 West Forest Avenue in Jackson (Madison County), Tennessee. The facility will be 33,925 square feet and will continue to be licensed as part of Jackson-Madison County General Hospital. There is no acquisition of major medical equipment. Project Cost \$29,341,794.00.

Victoria S. Lake, Director, Market Research, representing the applicant, addressed the Agency. Speaking in support were Marty Fordham and James Ross. Present in support were: James Brown, Director, and Jeff Blankenship, Controller.

Mr. Jones moved for approval of the project based on: 1) Need – The need is certainly demonstrated as they are the main provider for rural West Tennessee; 2) Economic Feasibility – The project is economically feasible based on cash reserves and the plan as presented; and 3) The project does contribute to the orderly development of adequate and effective health care. Mr. Lammert seconded the motion. The motion CARRIED [8-0-0]. **APPROVED**

AYE: Morris, Troy, Lammert, Caldwell, Atchley, Weaver, Jones, Koella

NAY: None

**Methodist Medical Center of Oak Ridge - (Oak Ridge, Anderson County) - Project No. CN0808-059**

The initiation of mobile positron emission tomography (PET) services to be offered three (3) days per week at Methodist Medical Center of Oak Ridge. Project Cost \$3,330,677.00.

Dan H. Elrod, Esq., representing the applicant, addressed the Agency. Mary Misischi, M.D. and Suzanne Kohler spoke on behalf of the project. Mike Richardson, Vice President, Planning & Business, Covenant Health was present in support.

Dr. Caldwell moved for approval of the project based on: 1) Need – The need is shown. There is a sufficient number on the cancer registry to demonstrate the need; 2) Economic Feasibility – The project is economically feasible and cash reserves are available; and 3) The project does contribute to the orderly development of adequate and effective health care as MMC already has an accredited community cancer center that will allow this treatment team to have diagnosis in staging and treatment planning on site that will definitely improve the orderly development of health care. Mr. Atchley seconded the motion. The motion CARRIED [8-0-0]. **APPROVED**

AYE: Morris, Troy, Lammert, Caldwell, Atchley, Weaver, Jones, Koella  
NAY: None

**Summit Medical Center - (Hermitage, Davidson County) - Project No. CN0808-060**

The expansion and renovation of its Emergency Department on the main hospital campus. Summit Medical Center is licensed as a 188-bed general hospital by the Board for Licensing Health Care Facilities. The project does not contain major medical equipment, does not initiate or discontinue any health service, and does not affect the facility's licensed bed complement. Project Cost \$7,989,581.00.

Jerry W. Taylor, Esq., representing the applicant, addressed the Agency. Bryan Sharpe, M.D. spoke on behalf of the project and John L. Wellborn, Consultant was present.

Dr. Caldwell moved for approval of the project based on: 1) Need – The patient level is there and the demand is already present and will continue to grow; 2) Economic Feasibility – The project is economically feasible and cash reserves are available; and 3) The project does contribute to the orderly development of adequate and effective health care. This will increase the quality of care to the patients coming to the emergency room. Mr. Lammert seconded the motion. The motion CARRIED [8-0-0]. **APPROVED**

AYE: Morris, Troy, Lammert, Caldwell, Atchley, Weaver, Jones, Koella  
NAY: None

*Mr. Jones left meeting.*

**Specialty Care, LLC - (Murfreesboro, Rutherford County) - Project No. CN0808-061**

The establishment of a multi-specialty ambulatory surgical treatment center (ASTC) limited to the patients of Middle Tennessee ENT and only to otolaryngology (ENT) and plastic surgery cases. The center will occupy approximately 8,000 square feet of space containing two (2) operating rooms, a pre/post holding area and support space. The project does not include any major medical equipment or initiate or discontinue any new service. Project Cost \$5,246,049.00.

William H. West, Esq., representing the applicant, addressed the Agency. Speaking in support of the project were: Jeffrey A. Paffrath, M.D., Middle Tennessee Ear, Nose & Throat, P.C.; and William Southwick, President/CEO, Healthmark Partners, Inc. Present in support were: Paul E. Goco, M.D.; George M. Converse, IV, M.D.; and Edwin W. Day, Consultant

Speaking in opposition of the project were: Warren L. Gooch, Esq., representing Middle Tennessee Ambulatory Surgery Center; Barbara Houchin, Executive Director, Saint Thomas Health Services; and Jason Beam, Regional Director, Middle Tennessee Ambulatory Surgery Center. Present in opposition were: Jere Chessor, Administrator, Middle Tennessee Ambulatory Surgery Center; Andy Brown, Middle Tennessee Ambulatory Surgery Center; Ryan S. Simpson, Middle Tennessee Ambulatory Surgery Center; Sheila M. Sferrella, Vice President Ambulatory Services, Saint Thomas Health Services; and Sandra Holshouser, Vice President, Middle Tennessee Ambulatory Surgery Center.

Mr. West rebutted.

Mr. Gooch summated for the opposition.

Mr. West summated for the applicant.

Ms. Troy moved for denial of the project based on: 1) Need – They did not adequately demonstrate need; and 2) The project does not contribute to the orderly development of adequate and effective health care. Mr. Koella seconded the motion. The motion CARRIED [4-3-0]. **DENIED**

AYE: Morris, Troy, Caldwell, Koella

NAY: Lammert, Atchley, Weaver

### **GENERAL COUNSEL'S REPORT**

*Reid Brogden summarized the following requests for modifications:*

#### **Athens Regional Cancer Center, PLLC - (Athens, McMinn County) - Project No. CN0609-068A**

Request for a ninety (90) day extension of the expiration date from February 1, 2009 to May 1, 2009. This project was approved at the December 20, 2006 meeting for the establishment of an ambulatory surgical treatment center (ASTC) limited to the provision of radiation therapy services, and the acquisition of a linear accelerator in approximately 4,500 square feet in a newly constructed building. Project Cost \$2,328,850.00.

J. Scott McDearman, Esq., representing the applicant, addressed the Agency.

Mr. Atchley moved for approval of the extension for 180 days. Mr. Lammert seconded the motion. The motion CARRIED [7-0-0]. **APPROVED**

AYE: Morris, Troy, Lammert, Caldwell, Atchley, Weaver, Koella

NAY: None

#### **White House Health Care, Inc. - (White House, Robertson County) - Project No. CN0712-098A**

Request for a transfer of ownership from White House Health Care, Inc. to HC Resources, LLC (HCR). This project was approved at the May 28, 2008 Agency meeting for the replacement and relocation of a nursing home to be located off of Sage Road, White House (Robertson County), TN. The project was previously approved for eighty-four (84) nursing home beds to be constructed on Wilkinson Lane, White House (Robertson County), TN (CN9409-062A and CN0511-104A of which both were voluntarily surrendered upon approval of CN0712-098A). The project cost is \$7,436,695 and the expiration date is July 1, 2010.

Michael D. Brent, Esq., representing the applicant, addressed the Agency. E. Graham Baker, Esq. spoke on behalf of the project.

Mr. Atchley moved for approval of the request for the change of ownership. Ms. Troy seconded the motion. The motion CARRIED [7-0-0]. **APPROVED**

AYE: Morris, Troy, Lammert, Caldwell, Atchley, Weaver, Koella

NAY: None

### **MINUTES**

The minutes of the October 22, 2008, meeting were accepted by unanimous voice vote.

## **ADJOURNMENT**

There being no further business, the meeting adjourned.

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Melanie M. Hill, Executive Director

MMH/mab